

Members

Rep. Ralph Ayres, Chairperson
Rep. Don Lehe
Rep. Mary Kay Budak
Rep. John Aguilera
Rep. Charlie Brown
Rep. Duane Cheney
Sen. Sue Landske, Vice-Chairperson
Sen. Marvin Riegsecker
Sen. Joseph Zakas
Sen. Rose Antich-Carr
Sen. Frank Mrvan
Sen. Earline Rogers
Mayor Daniel M. Klein



NORTHWEST INDIANA TRANSPORTATION STUDY COMMISSION

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Authority: P.L. 28-2004

MEETING MINUTES¹

Meeting Date: September 27, 2005
Meeting Time: 1:30 P.M.
Meeting Place: Gary/Chicago International Airport,
Conference Room; 6001 W. Industrial
Highway
Meeting City: Gary, Indiana
Meeting Number: 2

Members Present: Rep. Ralph Ayres, Chairperson; Rep. Don Lehe; Rep. Mary Kay Budak; Rep. John Aguilera; Rep. Charlie Brown; Rep. Duane Cheney; Sen. Marvin Riegsecker; Sen. Rose Antich-Carr; Sen. Frank Mrvan; Sen. Earline Rogers.

Members Absent: Sen. Sue Landske, Vice-Chairperson; Mayor Daniel M. Klein; Sen. Joseph Zakas.

COMMENCEMENT OF THE MEETING

Rep. Ralph Ayres, Chair of the Commission, called the meeting to order at 1:30 p.m., and then asked each of the Commission members to introduce themselves.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

Rep. Ayres then asked **John Clark**, Chairman of the Northwest Indiana Regional Development Authority (RDA), to begin his presentation to the Commission.

From late April to late September (2005), Mr. Clark explained, he has been trying to constitute the RDA's board and figure out how to implement the very broad legislation of HEA 1120-2005, which he called quite grand in its scope and ambition as well as potentially well funded.

The first meeting of the Authority board was on Monday September 26, 2005, the night before the meeting of the Commission that is the subject of these minutes. At that first meeting, the board members were sworn in. Mr. Clark said that he was very gratified by the large and enthusiastic turnout at the first meeting. He said that hopes are high and people seem open to doing things in new ways.

The opening meeting was followed by a second meeting on Tuesday morning, September 27, 2005. A focus of this second meeting was on questions concerning the legal obligations of the RDA. Mr. Clark acknowledged in this respect the assistance of Indiana Attorney General **Steve Carter**, who was in attendance at the RDA meeting. One of the legal concerns was whether the RDA is required to follow the Governor's executive order concerning the ethical conduct of state employees. Mr. Clark said that one of the most important things the RDA has to do is to set very high ethical standards. He added it may well be appropriate to require people that the RDA does business with to adopt the same standards.

Mr. Clark explained that the central task of the RDA for its first two years is to develop a business plan for spending the resources allocated to the RDA. Nevertheless, he doesn't want to squander the time by solely working on the plan for two years. He's also eager to start implementing the plan.

In addition to a good plan, Mr. Clark said, he is concerned about developing a good process with an eye toward getting the maximum bang for the buck. He said that his sense for some of the things that are going to guide the RDA are:

- a rigorous examination of business plans;
- return on investment projections;
- cost/benefit ratios;
- whether quality jobs are being created; and
- the best leverage of dollars allocated to the RDA.

With respect to the issue of transparency, Mr. Clark declared that the people at the RDA will make the process as transparent as they can possibly make it, far in excess of legal requirements. And for him, he added, transparency is almost as important as the substance of what the RDA is going to be doing.

Mr. Clark indicated that there are two upcoming meetings planned, one of which is an all-day retreat. The RDA board will talking about values, a code of conduct, and the basic elements of the business plan. Mr. Clark reiterated his sense of urgency to complete the formulation of the business plan ahead of the two-year time frame.

In response to a question from Rep. Ayres, Mr. Clark clarified that the RDA has no money until January, 2006. In the meantime, the State Budget Agency has set up a line of credit for the RDA to cover initial incidental expenses.

The members of the Commission also talked with Mr. Clark about the Indiana Department of Transportation's recently released ten year transportation plan. Although the RDA had no part in the formulation of the plan, Mr. Clark explained that in his capacity as advisor to Governor Mitch Daniels, Mr. Clark had participated in some of the discussions as the plan was being developed. Mr. Clark distributed a copy of an INDOT presentation on the plan and offered to clarify any points that he could. See Attachment 1.

INDIANA ECONOMIC DEVELOPMENT CORPORATION

Rep. Ayres next recognized Tim Sanders, Northwest Regional Director of the Indiana Economic Development Corporation (IEDC), to make a presentation to the Commission on the activities of the IEDC in northwest Indiana.

The focus of Mr. Sanders' remarks was on the topic of site selection. He described the IEDC response to a typical request from a business looking for help locating a facility in northwest Indiana. Many times, he said, IEDC staff refers the requesting business to a broker and never hear from the business again. If the process of working with a broker is unsuccessful, the business may return to the IEDC and at that time IEDC staff undertakes a fairly detailed interview to clarify the site selection requirements for the business.

Mr. Sanders related that transportation is typically a high priority in conversations about locating in northwest Indiana. Business people are concerned about rail transportation and highways. Interstates 55 and 57 are regarded positively because they go directly into Chicago; Interstate 65, terminating in Gary, is perceived to be a little out of line. Another thing he said that he hears a lot about is the need for an airport in northwest Indiana.

Mr. Sanders said that the IEDC is about to renew an effort to go after businesses located in Chicago. Businesses currently located in Chicago that are thinking of moving out of Chicago but wish to remain nearby are good prospects for relocating in northwest Indiana. Mr. Sanders gave a hypothetical example of a small machine shop located on 1500 Randolph Street. For that use, he said, the real estate is underperforming and a move to northwest Indiana would allow that business to capitalize on its real estate investment while maintaining access to its customers.

Sen. Earline Rogers asked Mr. Sanders about the biggest impediments to bringing businesses to northwest Indiana and what we can do about those impediments. Mr. Sanders' reply: fix our reputation. **Rep. Charlie Brown** asked Mr. Sanders what it is about the region's reputation that he was referring to. Mr. Sanders gave an example of a conversation about site selection with a businessman from another state. The IEDC suggested that the businessman consider LaPorte, a city that the businessman had never heard of. In the course of describing where LaPorte is located, the businessman became perceptibly uncomfortable, based entirely on the reputation of Gary and its proximity to LaPorte. Gary, in short, Mr. Sanders explained, has acquired a reputation as a murder capital and a place where crime and corruption are endemic.

Mr. Sanders proposed that the solution is similar to what was done in Pittsburgh, where the leadership in Pittsburgh stood up and declared that they were going to fix Pittsburgh, and then they did it. He stated that even if there were no crime north of the Borman Expressway tomorrow, it wouldn't change the region's reputation without the impact of a public declaration beforehand. Mr. Sanders added that, beyond the problem of crime and the perception of crime, SAT performance in

high schools as a measure of the work force's education level can be a significant issue for businesses who have high tech jobs. He remarked that pollution is also a small issue.

LEGISLATIVE PROPOSAL TO REESTABLISH THE COMMISSION

Rep. Ayres next took up his legislative proposal to reestablish the Commission, which is scheduled to expire on November 2, 2005. At the first meeting of the Commission Rep. Ayres circulated an unedited draft of legislation to reestablish the Commission with a term ending on November 2, 2009. However, at that time, he deferred action on the proposal.

At today's meeting, Rep. Ayres distributed Preliminary Draft (PD) 3053, an edited version of the previously circulated proposal, and called for the consideration of PD 3053 by the Commission. See Attachment 2. After brief preliminary discussion, Rep. Brown moved that the Commission recommend the introduction of PD 3053. His motion was seconded. Rep. Ayres then called for a voice vote and the motion prevailed.

DISCUSSION

The Commission finished the meeting with an informal discussion with officials **Paul Karas**, Airport Director for the Gary/Chicago International Airport, **Sam Assefa**, Deputy Chief of Staff for Economic and Physical Development, Office of the Mayor (Chicago), and **Jerry Hanas**, General Manager of the Northern Indiana Commuter Transportation District (NICTD).

Rep. Brown asked Mr. Karas about the question of having the South Shore railroad stop at the Gary/Chicago Airport. Mr. Karas responded in terms of two time frames. In the here and now, he said, the railroad station is located one city block from the airport boundary, which translates into 7000 feet from the station to the front door of the terminal. If a person wants to get to the airport from the station, the person would probably have to walk, although there are no sidewalks from the station to the airport to accommodate walkers. Mr. Karas said that as a result there are a low number of people who use the South Shore to get to the Airport.

In the long term, in connection with the construction of a new terminal at the Airport, the Amtrak track can be shifted over to the new terminal. The idea would be to put the South Shore line where it used to be in downtown East Chicago. He observed that no other airport in this country has a train in the basement of an airport terminal. But all that would depend on passenger traffic. Mr. Karas said that today nobody can justify relocating the South Shore to the Gary terminal.

Rep. Ayres introduced Mr. Assefa, who conveyed to the Commission that Mayor Richard Daley's administration is actively looking for coordination opportunities with northwest Indiana. Rep. Ayres told Mr. Assefa that the Commission appreciates the Mayor's support for the RDA, especially during the previous legislative session of the Indiana General Assembly.

Rep. Ayres asked about the coordination of special events in Chicago and the South Shore. Mr. Hanas said that NICTD actually works closely with the city of Chicago. With the increase of gas prices, he said, NICTD has seen an increase in its ridership. Mr. Hanas also indicated that while he is concerned about the stability of employment in the Loop, NICTD has also seen a rise in so-called reverse commuting: Chicago and Illinois residents coming to work in northwest Indiana. In this connection, Mr. Hanas recalled the hypothetical example that Mr. Sanders gave in his presentation of the machine shop owner in Chicago that might decide to relocate his shop in northwest Indiana.

CONCLUSION OF THE MEETING

Rep. Ayres declared the meeting adjourned at 4:00 p.m.